OPTIONAL FORM NO. 10
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UNITED STATES GOVERNMENT

Memorandum

CONFIDENTIAL

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TO : NEA - Alfred L. Atherton, Jr.

DATE: August 25, 1971

FROM : NEA/IAI - H. H. Stackhouse

SUBJECT: USS LIBERTY Claims

I have discussed with L Ambassador Barbour's letter to you of August 6, 1971, supporting a draft Israeli proposal of a $100,000 token settlement of the outstanding claim for damage to the LIBERTY. L agrees with me that the suggested sum is so small as to call clearly for a courteous rejection out of hand. You will find attached a suggested reply to Owen Zurhellen, largely drafted by L. In sum, we think it better to keep the claim outstanding than to make a settlement unsatisfactory in so many ways. It would not be a serious irritant in our relations, and it would be a continuing reminder we are not that easy a mark.

Attachment:

Suggested Reply to
Mr. Zurhellen

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [signature] DATE 1/24/83
RDS☐or XDS☐EXT. DATE
TS AUTH. _____ REASON(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☐ RELEASABLE☐
RELEASE DENIED☐
PA or FOI EXEMPTIONS

NEA/IAI:GRCella:cf
8/25/71 22030

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Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

The Government of Israel hopes that the United States Government will be agreeable to such a settlement so that this tragic chapter be closed.